Montague Economic Development and Industrial Corporation

# Economic Development Plan 2014 Revision

DRAFT FOR PUBLIC COMMENT

3.24.14

# Montague Economic Development and Industrial Corporation

EDIC Board of Directors:

Lynn Reynolds, Chair
Linda Ackerman, Treasurer
Moon Morgan, Secretary
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Prepared with support from the Montague Planning and Conservation Department
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The Plan was presented by the EDIC to the Planning Board on 3/25/2014 following the opportunity for public comment at a public hearing.

The Plan was approved by the Planning Board on 3/25/2014.

The Plan was approved by Town Meeting on X/X/2014.

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# Executive Summary

In 1984, the Montague Economic Development and Industrial Corporation (MEDIC) was certified by the Massachusetts Department of Housing and Community Development, in accordance with Massachusetts General Laws, Chapter 121C. An EDIC is a corporation established by a municipality in order to implement economic development projects. The EDIC shall have the powers and duties imposed by Chapter 121C to undertake and carry out the economic projects covered by this plan. These powers include the ability to purchase, sell, and manage property and the ability to receive local, state and federal grants, among others.

When MEDIC was established in 1984, a plan was prepared to guide economic development and industrial activities in Montague. That plan was updated in 1999. In the 30 years since EDIC was established the Town has seen two very successful economic development projects come to fruition. The Great Falls Discovery Center site, a major tourist destination in Montague, has been developed to near completion. Also the Airport Industrial Park, a regional employment center is virtually built-out to capacity. The historic mill district of Turners Falls was part of the 1999 plan, but has seen comparatively limited redevelopment progress, however the EDIC has not yet played a significant role in that target area. The biggest change between the 1999 plan is that the 2014 Economic Development Plan update includes the proposed Turnpike Road Industrial Park an area slated for up to 45 acres of light industrial development in Montague. This area was formerly in the plan as a landfill expansion area. The 2014 update reflects the new phase in MEDIC's efforts to promote economic and industrial development in Montague.

Economic and industrial development activities in town have been examined and **three** project areas were identified as priorities. These target areas are very similar to those in the 1999 plan, but in many cases goals and plans for specific sites have been adjusting according to current planning efforts. Priorities for these economic development projects were developed based upon previously stated goals and recent input from the MEDIC, Montague Comprehensive Plan, Downtown Turners Falls Livability Plan, Turnpike Road Energy Industrial Park Master Plan, Franklin County Community Economic Development Strategy and the Regional Plan for Sustainable Development, each of which involved broad-based community participation.

Montague is part of the Franklin County Economic Target Area. Within Montague, there are two Economic Opportunity Areas (EOAs), the first of which extends from Turners Falls to Montague City. The Historic Industrial and the Great Falls Discovery Center areas fall within this Economic Opportunity Area. The second EOA covers the airport industrial park and a portion of the adjacent Montague Plains.

Because of strict legal requirements, the MEDIC is only authorized to plan for economic development projects in areas currently zoned industrial. Therefore, other town, non-profit, and regional economic development agencies and offices are strongly encourage to plan for economic and industrial development in parts of Montague outside the purview of MEDIC.

As a part of the requirements MGL Ch 121C, the MEDIC certifies that occupants of the designated economic development area shall make every reasonable effort to hire residents of the municipality for employment opportunities for a period of 40 years following approval of the economic development plan.

# Montague Quick Stats

**Villages**
Turners Falls
Millers Falls
Montague Center
Montague City
Lake Pleasant

**Population**
Total Population (2010) 8,437
% change from 2000: -0.61

**Labor Force**
2012 4,401
Unemployment Rate 7.6 (6.7% in MA

**Market Access**
Interstate 91 exit 27. State Routes 2, 63, 47

**Distance to major cities**
Boston……..90 miles
Worcester……70 miles
New York……181miles
Northampton, MA...25 miles

**Airports**
Turners Falls Municipal
Bradley International
Worcester Regional
Logan International

**Railroads**
New England Central, PanAM

**Utilities and Services**
Electric- Western Mass Electric
Water- Turners Falls Water Department
Natural Gas- Berkshire
Sewerage- Water Pollution Control Facility
Communications- Verizon, Comcast

**Key Industry Clusters (2013 CEDS)**
Ag, Forestry, Nat Resource Based
Education
Green Economy
Precision Manufacturing

**Government**
Representative Town Meeting
Board of Selectmen
Town Administrator
Planning and Conservation Department
Turners Falls Fire District, Montague Center FD

**Education**
**Primary and Secondary**
Gill-Montague School District
Franklin County Tech (in Industrial Park)

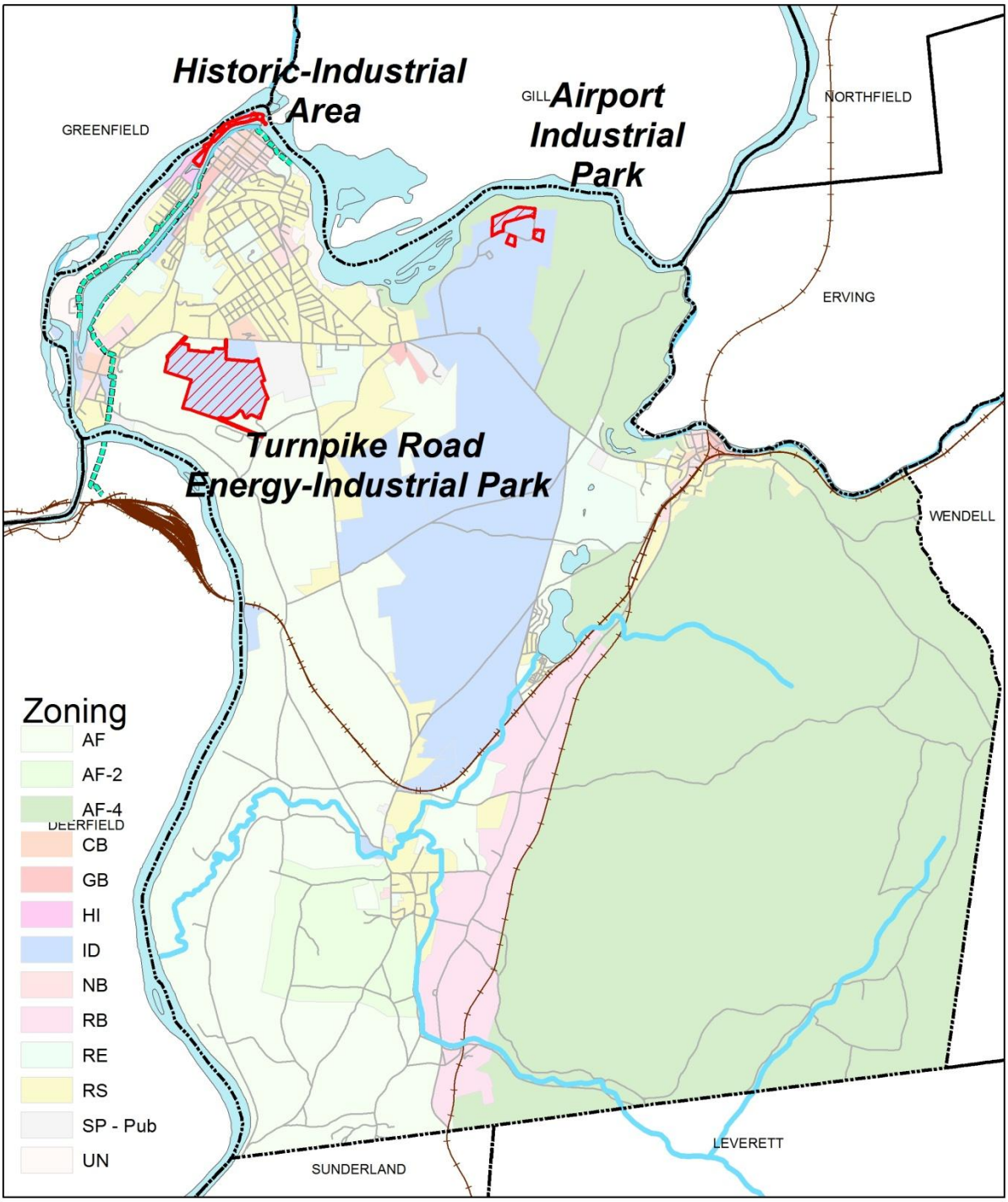
**Colleges & Universities**
Five College Consortium in Amherst/Northampton
Greenfield Community College
Hallmark Institute of Photography (in Industrial Park)

**Taxes (FY 2014)**
Split Tax Rate R-$16.34 C-$24.85
Turners Falls Fire District- R-$2.90 C $4.10
Montague Center Fire District- $1.34
Average Single Family Tax Bill $2,987
Industrial Valuation $138,634,250
Total Valuation $760,048,413

**Wages**
Median Household Income (2010) $41,980

**Largest Employers**
Farren Care Center
Lightlife Foods
Franklin County tech School
Gil-Montague School District
Heat-Fab Inc
Judd Wire, Inc
Hillside Plastics

**Recreation**
Canalside Bike Path/ Franklin County Bikeway (2007)
Great Falls Discovery Center
Unity Park (renovated 2013)
Shea Theater
Thomas Memorial Golf Course
River Access for boating, camping, canoeing, fishing
Events: Pumpkinfest, Renaissance Festival, Spring Parade, Upper Valley Music Festival, Block Party, 3rd Thursdays in downtown




**Montague Economic Development and Industrial Corporation**
**2014 Economic Development Plan**

0 2,500 5,000 Feet

# TURNPIKE ROAD ENERGY INDUSTRIAL PARK

**Montague Zoning District:** Industrial

Citing a lack of supply for industrial expansion space at the Airport Industrial Park the Montague Planning Department in 2011 conducted a study of 163 acres off Turnpike Road for future industrial development potential. The land was previously slated for Landfill development. The result was a plan to develop a green industrial park that is designed specifically to promote the growth of existing small businesses in Franklin County while maintaining a low environmental impact on the site and community. It will provide approximately 45 sellable acres of industrially zoned land currently owned by the Town of Montague.

The park has the following "smart growth" benefits:

- Abuts a large manufacturer (Judd Wire)
- Infill development - proximity to downtown Turners Falls
- Not priority habitat for endangered species
- Solar ready site on capped landfill
- Accessible to Route 2, I-91, Five-College area.
- Low Impact Design principles in covenants

| Land Facts | |
|---|---|
| Acreage | 163 , 45 sellable acres |
| Zoning | Industrial |
| Ownership | Town of Montague |
| **Build-Out** | |
| Lots created | 11 |
| Average lot size | 3-5 acres |
| Build out time | 20 years |
| Projected Infra cost | $1.4 Million |
| Jobs created | Up to 250 |
| Jobs Cluster | Metals fabrication and food processing |

**Project Milestones:**

**April 2012-** Master Plan completed
**June 2012-** Project added to Regional Economic Development (CEDS) plan
**Nov 2012**- Designated MGL Ch43D Priority Development Site
**Spring 2013-** Predevelopment and Design
**2014-** Complete Preliminary subdivision plan, seek construction financing from MassWorks and Economic Development Administration.

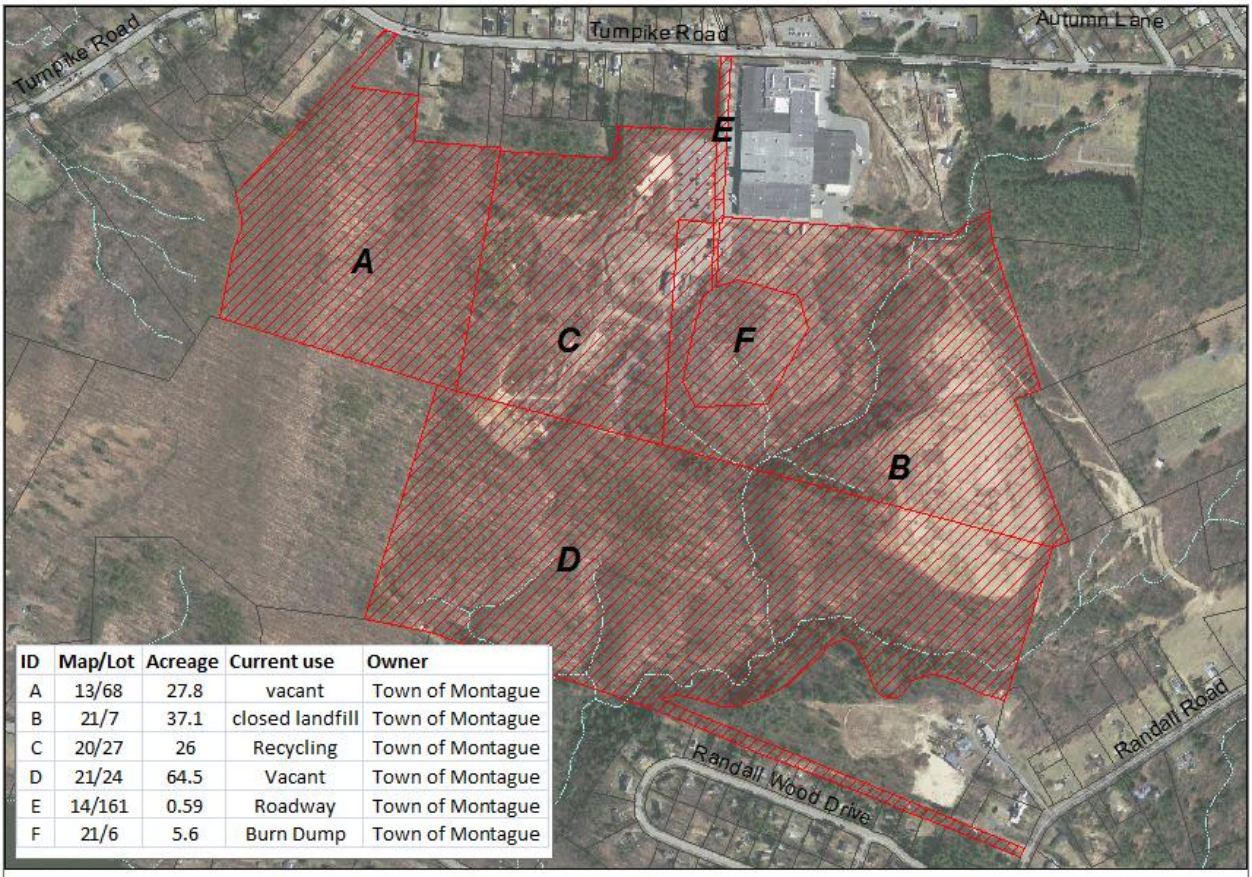
**Project Goals:**
-Increase the supply of industrial space and employment opportunities in Montague
-Develop low-impact industry in manner consistent with the nearby neighborhoods
-Retain expanding business and enhance Montague's key market clusters
-Ensure productive reuse of the burn dump and gravel pit.
-Capitalize on low impact and renewable energy potential.

**Action Items:**
-Develop policies to govern industrial development in this area
-Complete pre-development and permitting
-Seek funding for constructing infrastructure to site
-Expand Economic Opportunity Area to this site
-Ensure proper relocation of current recycling and Highway Department uses at the site.
-Work with Judd Wire to identify and secure expansion space for their operation.
-attract light-industrial tenants to develop the area around parcels C, D, and A.
-Plan for and develop ground mounted solar on the capped burn dump on parcel B

**Financing:**
Private investment, MassDevelopment, MassWorks Infrastructure program, Town of Montague, US Economic Development Administration, US Environmental Protection Brownfield Program.

**LOCATION MAP**
SCALE: 1" = 1000'

Proposed industrial subdivision




| ID | Map/Lot | Acreage | Current use | Owner |
|---|---|---|---|---|
| A | 13/68 | 27.8 | vacant | Town of Montague |
| B | 21/7 | 37.1 | closed landfill | Town of Montague |
| C | 20/27 | 26 | Recycling | Town of Montague |
| D | 21/24 | 64.5 | Vacant | Town of Montague |
| E | 14/161 | 0.59 | Roadway | Town of Montague |
| F | 21/6 | 5.6 | Burn Dump | Town of Montague |

**Turnpike Road Energy Industrial Park**

**Montague Economic Development and Industrial Corporation**

**2014 Economic Development Plan**

Source: 2011 Montague Assessors Maps

0 250 500 Feet

# AIRPORT INDUSTRIAL PARK

**Montague Zoning District:** Industrial

**Project Description and History:**

The Airport industrial park (AIP) was first constructed in the 1960's and expanded in 1990's. The park is a planned municipal development. The 15 firms in the AIP employ a total of 512 employees. There are over 623,565 sq. ft. of industrial development built on 97 acres of land. There are currently 19.1 acres of municipal land left for development. Only one 2.1 acre lot with access on Industrial Blvd is unencumbered. The AIP is effectively built-out to capacity and there is no viable option for expansion of the park.

300 acres across from the Airport on Millers Falls Road were initially identified by the EDIC and Planning Board as land suitable for industrial expansion. The land is currently in private ownership of Northeast Utilities. In 2010 the Western Mass Electric Company indicated that the property will not be made available to the Town of Montague for industrial development.

**Project Goals:**

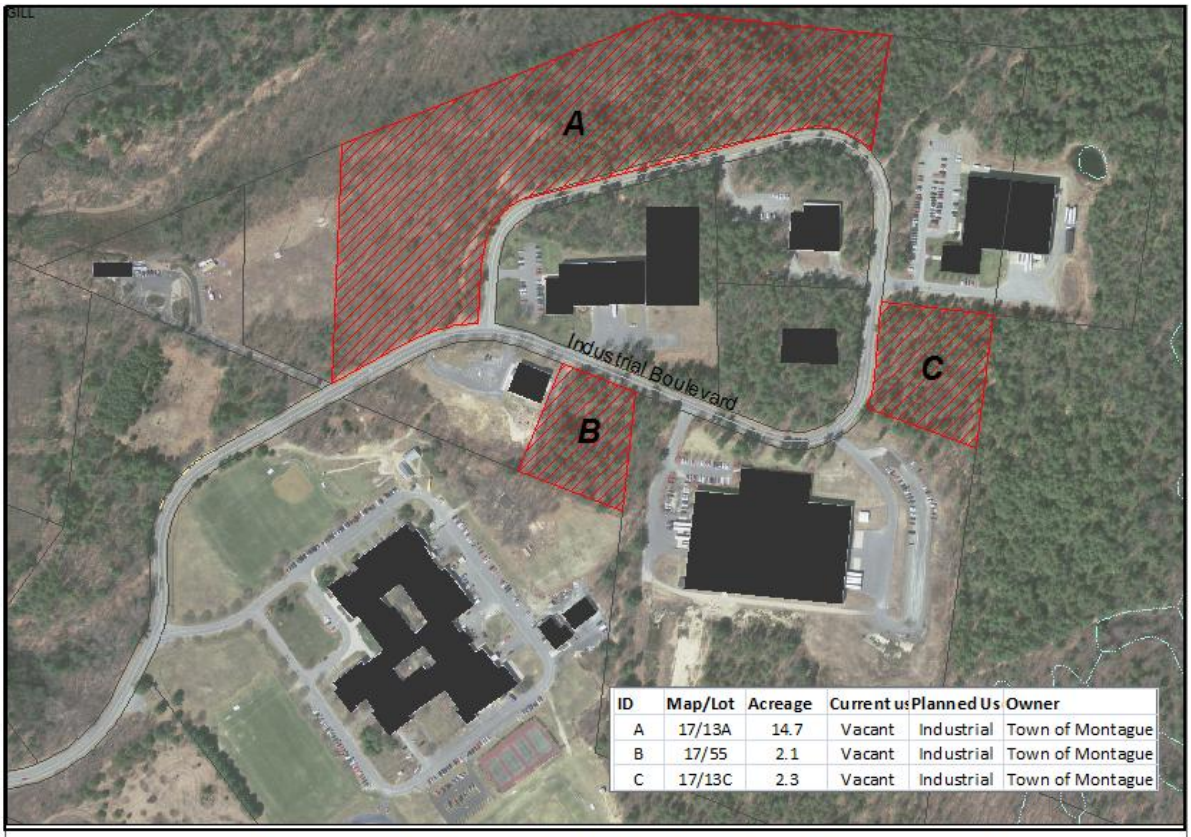
-To maintain the Airport Industrial Park as one of the primary employment centers in Franklin County
-To capitalize on the Airport as an asset to economic development

**Action Items:**

- Enforce Industrial Park Covenants for current and new development
- Market and develop remaining industrial lots on Industrial Boulevard
- Support development/expansion of broadband infrastructure to loop of AIP

**Financing:**

-Private Investment for new development
- Mass Broadband Institute, private internet service providers and Town of Montague are possible funders of the broadband expansion




| ID | Map/Lot | Acreage | Current us | Planned Us | Owner |
|---|---|---|---|---|---|
| A | 17/13A | 14.7 | Vacant | Industrial | Town of Montague |
| B | 17/55 | 2.1 | Vacant | Industrial | Town of Montague |
| C | 17/13C | 2.3 | Vacant | Industrial | Town of Montague |

**Airport Industrial Park Development**

**Montague Economic Development and Industrial Corporation**

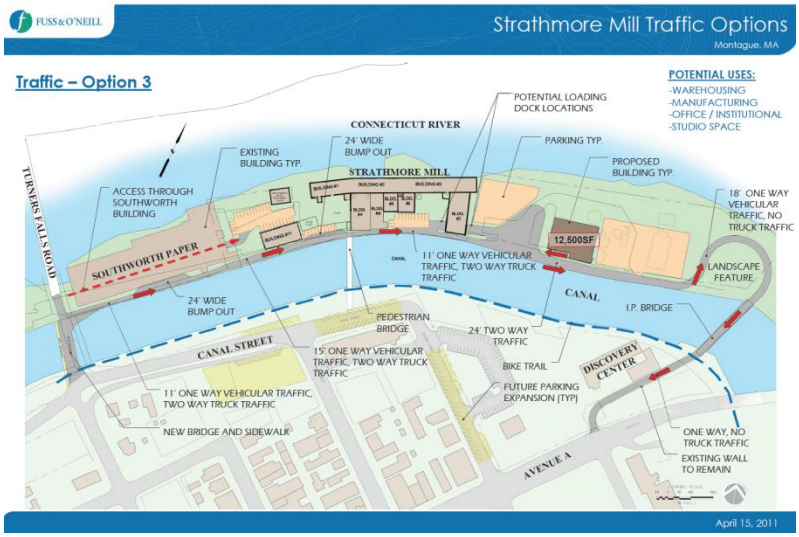
**2014 Economic Development Plan**

0 250 500 Feet

Source: 2011 Montague Assessors Maps

# HISTORIC-INDUSTRIAL DISTRICT RESTORATION

**Montague Zoning District:**
Historic Industrial




The Turners Falls Historic-Industrial District is defined by the mill complexes along the Turners Falls Power Canal. The area has a wide range of environmental, structural, and aesthetic problems that prevent these current and former mill sites from being redeveloped through the normal efforts of private enterprise.

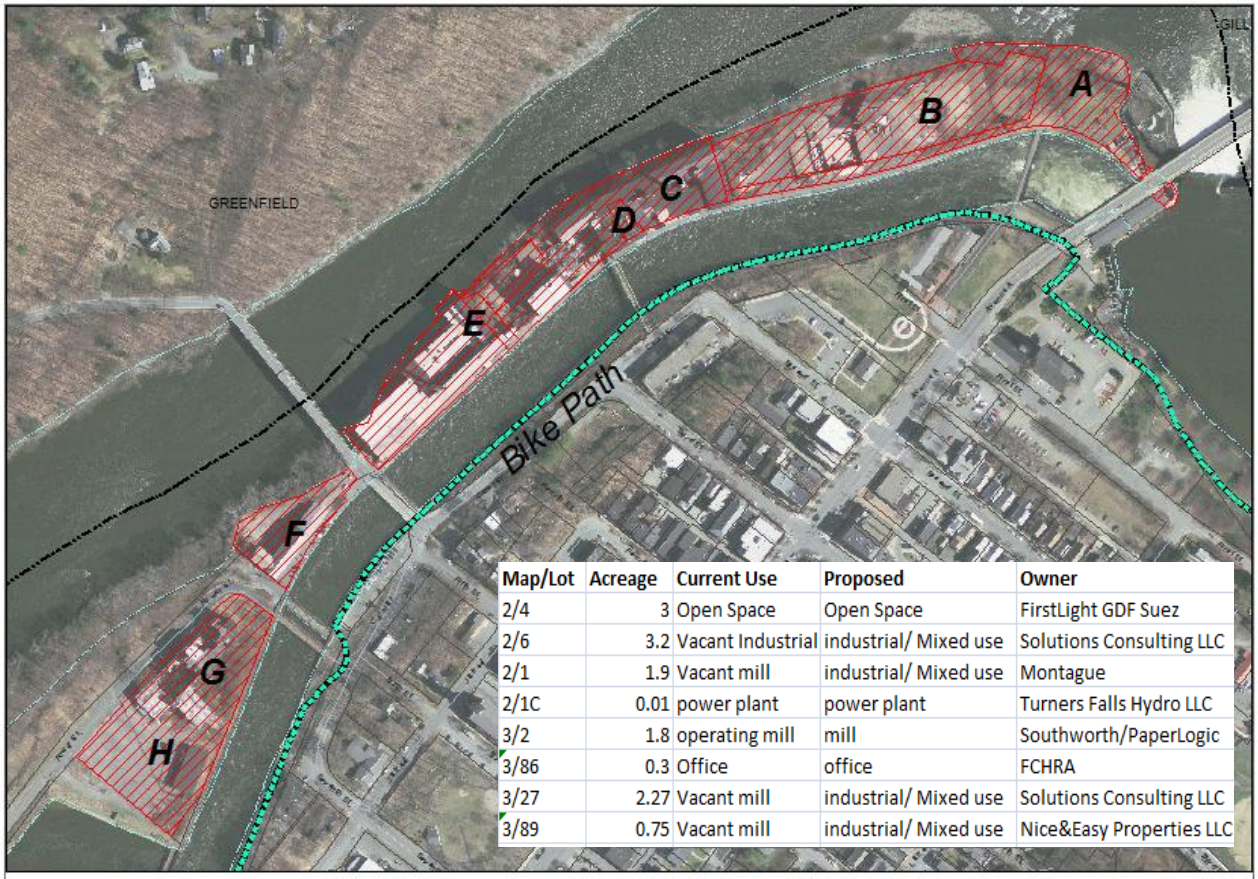
Three of the five former mill sites are vacant and blighted. The area is characteristically challenged by a lack of access to the mill sites because the Power Canal and Connecticut River are considerable physical barriers. The bridges across the canal are in various states of usability and disrepair. In 2004 the Town adopted zoning to allow for flexible and adaptive reuse of the mill complexes. The Downtown Turners Falls Livability Plan highlights this particular area for redevelopment potential. Vacant or underutilized parcels opposite the canal may be used to support reuse of the mills.

MEDIC can work to redevelop these parcels in support of new industrial and mixed use, thereby reducing blight and increasing the tax base in Montague. The Town and MEDIC must carefully think through their roles in any public or private redevelopment scenarios.

**Project Goals:**
-Promote adaptive and/ or productive re-use of these buildings
-Improve the physical condition of historic-industrial buildings
-Remove barriers to private development including the remediation of environmental problems at these industrial sites and solving infrastructure/access issues.

**Action Items:**
-Support Town to seek Slum & Blight designation from DHCD (2014)
-Transfer municipal ownership of Strathmore Mill (Parcel C) to a responsible developer.
-Restore or improve bridges across the canal including Strathmore Mill pedestrian bridge, IP bridge, and Power Street Bridge.
-Restore infrastructure connections to the historic mill sites including Railroad Salvage
-Consider acquisition of parcels in tax title (currently B, H, and G) to support redevelopment

**Financing:**
Private investors, US Environmental Protection Brownfield Program, MassWorks Infrastructure program, Mass DOT, FirstLight/ GDF Suez, Town of Montague, Department of Housing and Community Development-Community Development Block Grant




| Map/Lot | Acreage | Current Use | Proposed | Owner |
|---|---|---|---|---|
| 2/4 | 3 | Open Space | Open Space | FirstLight GDF Suez |
| 2/6 | 3.2 | Vacant Industrial | industrial/ Mixed use | Solutions Consulting LLC |
| 2/1 | 1.9 | Vacant mill | industrial/ Mixed use | Montague |
| 2/1C | 0.01 | power plant | power plant | Turners Falls Hydro LLC |
| 3/2 | 1.8 | operating mill | mill | Southworth/PaperLogic |
| 3/86 | 0.3 | Office | office | FCHRA |
| 3/27 | 2.27 | Vacant mill | industrial/ Mixed use | Solutions Consulting LLC |
| 3/89 | 0.75 | Vacant mill | industrial/ Mixed use | Nice&Easy Properties LLC |

**Historic-Industrial District**
**Montague Economic Development and Industrial Corporation**
**2014 Economic Development Plan**
Source: 2011 Montague Assessors Maps
0 250 500 Feet

# Report of the Planning Board

Insert after Public Hearing scheduled for 3/25/14

# Appendix A

# **Goals of the 2004 Montague Comprehensive Economic Development Plan**

(Relevant goals highlighted)

**PROMOTE RETENTION AND GROWTH OF EXISTING BUSINESSES**

- *Maintain, repair and improve critical infrastructure*
- ***Improve local government capacity to respond to the needs of existing businesses***
- ***Ensure adequate areas for the expansion of existing businesses in town***
- *Strengthen Montague ties to regional economic development agencies and initiatives*
- *Develop municipally-driven participation in regional employment and training efforts*
- *Investigate impacts of split tax rate on businesses and feasibility of moving toward a unified tax rate*

**RECRUIT NEW BUSINESSES IN KEY SECTORS, INCLUDING MANUFACTURING, THE ARTS, AGRICULTURE, TOURISM AND PEDESTRIAN-ORIENTED RETAIL AND SERVICE ENTERPRISES**

- *Improve marketing of available commercial and industrial space*
- ***Increase the supply of industrially-zoned land with infrastructure to accommodate new manufacturers***
- ***Encourage redevelopment of Strathmore Mill and other brownfield sites for commercial and industrial use***

**IMPROVE THE CLIMATE FOR BUSINESS IN VILLAGES**

- *Implement National Main Street model to support and enhance downtown revitalization in Turners Falls and Millers Falls*
- ***Encourage and facilitate preservation and restoration of historic buildings***
- *Improve streetscapes in downtown areas*

# APPENDIX B:

# **Recommendations for future industrial development in Montague**

Montague's best prospects for development of its industrial clusters lie in pursuing a strategy to retain existing industry needing to expand from locations both within Montague and from other industrial parks and properties within the Franklin County region. Most of the large manufacturing plants that are now in Montague were relocations from towns within the county, in particular, Greenfield and Sunderland.

By far, Montague's most-dominant industrial clusters are Metals, including fabricated metals and machinery. The threat of further job losses cloud the outlook for this sector, but Montague's remaining metals firms serve specialized niches and are nimble at realigning products and applications when the market demands it. Many have been established for 100 or more years and are likely to continue to flourish, having survived the current recession.

Other prominent clusters in the region are Distribution, which has a low employment impact; Material Science, particularly plastic film extrusion; Food and Beverage Processing; and Wood Working. There are currently two firms in the region in the Energy sector that are focused on renewable energy and recycling. Although this cluster is not yet very well developed, it is a good fit for the culture and values of the region where conservations and ecology are well understood by Pioneer Valley.

## Economic Base Analysis

To provide a basis for the selection of target industries for Industrial Development , the Montague Planning Department assembled a comprehensive database of economic and demographic data for Montague and the surrounding region. Trends in population, income, housing prices and employment by industry and earnings over the past 10 years are evaluated and compared with trends in state and national averages in this chapter. To assess the strengths and performance of the local and regional economic base, the findings of a shift-share model assessing industry concentration and performance are also presented. This analysis is the first step in the process of identifying the best prospective target industries for Montague in energy and non-energy sectors.

Table 1 shows that the population of the five villages that comprise Montague has declined by 4% between 2000 and 2009 and currently stands at 8,135 residents. More than half of them, 4,430 people, live in Turners Falls. Reflecting the aging of this population, the median age has increased from 39 to 44, significantly above the national average median age of 36 years. Average household size has dropped to 2.1 people.

TABLE 1: SOCIOECONOMIC TREND ANALYSIS - TOWN OF MONTAGUE *2000-2009*

| General Characteristics | 2000 | 2009 | US Avg. | % Change Montague 2000-09 |
|---|---|---|---|---|
| Population | 8489 | 8135 | - | -4% |
| Median Age | 39 | 43.7 | 36.5 | 12% |
| Avg. Hhld size | 2.3 | 2.1 | 2.6 | -7% |
| Housing Units | 3616 | 3934 | - | 9% |
| Median Housing Value | $ 113,400 | $ 204,700 | $185,400 | 81% |
| % Owner Occupancy | 61% | 55% | 67% | -10% |
| % Renter-Occupancy Housing Units | 39% | 44% | 33% | 13% |
| Vacant Housing Units | 6% | 4% | 12% | -32% |
| **Social Characteristics** | | | | |
| % High school Graduates | 84% | 88% | 85% | 5% |
| Bachelors Degree or higher | 19% | 26% | 28% | 37% |
| Speak Foreign Language at home | 10% | 7% | 20% | -30% |
| % White | 95% | 90% | 75% | -5% |
| % Black | 1% | 3% | 12% | 275% |
| % Latino | 3% | 6% | 15% | 131% |
| **Economic Characteristics** | | | | |
| % in Labor Force | 66% | 64% | 65% | -3% |
| Mean Travel Time to Work | 23 mins | 25 mins | 25 mins | 9% |
| Median Household Income | $ 33,750 | $ 41,865 | $ 51,425 | 24% |
| Per Capita Income | $ 17,794 | $ 25,422 | $ 27,041 | 43% |

*Source: US Census Bureau, American Factfinder.*

In spite of the population loss, the number of housing units in Montague has grown by nearly 10% as 318 new units have been added to the housing stock. The median housing value, at $205,000, exceeds the US average but is well below the $358,000 state average value. Owner occupancy has decreased significantly since 2000, from 61% to 55%. Vacancy has dropped from 6% in 2000 to 4% in 2009, suggesting a strong demand for housing. Nationally, housing vacancy averages 12%. Of Montague's residents, 88% have finished high school, indicating an educated blue collar workforce. Nearly 20% have bachelor's degrees. The proportion of Latinos has doubled, and that of African Americans has tripled, but the numbers are small, adding 259 Latinos and 207 African Americans since 2000. The proportion of households that speak a language other than English at home has dropped from 10% to 7% in the past decade, compared to a national average of 20%. This suggests that there are few recent immigrants in the town.

Despite its relatively older population, 66% of Montague's population is economically active. With the loss of jobs locally (which will be discussed in the sections that follow), the mean travel time to work for Montague's employed has increased to 25 minutes. This, however, is still low for a rural area. Remarkably, Montague's per capita income has grown by 43% since 2000 to $25,422, compared to national average growth of 25% for the past decade. This has narrowed the gap between local per capita income and the national average of roughly $27,000.

## Employment Trends in Montague

Between 1994 and 2000, the number of jobs in the town grew by 15% to 2,739 jobs, but soon afterward, jobs began to decline to their present level of 2,038 jobs, a drop of 25%. Some of the 700 jobs lost were made up by an increase in self-employment to which 200 jobs were added by 2009 when self-employment in the town was estimated at over 1,200, and total private employment and self-employment was estimated at 3,240 jobs. It is estimated that nearly 40% of Montague's private sector workforce is self-employed.
*excludes public sector employment, sources: ZIP Code Business Patterns, SIC & NAICS, BEA REIS Data Series.

## Businesses in Montague

Table 2 shows that the number of businesses in Montague grew in all of Montague's villages between 1994 and 2000, but the recession has caused the number of businesses to decline by 25%. Only Montague Center gained 12 businesses; both Turners Falls and Millers Falls suffered significant losses of businesses.

TABLE 2: BUSINESSES IN MONTAGUE *1994-2009*

| | 1994 | 2000 | 2009 | % Change 2000-09 |
|---|---|---|---|---|
| Turners Falls | 130 | 156 | 112 | -28% |
| Millers Falls | 20 | 20 | 7 | -65% |
| Montague Center | 26 | 32 | 38 | 19% |
| | 176 | 208 | 157 | -25% |

*Includes only Private Sector Jobs, excludes government & self-employment.*

*Sources: US. Census Bureau, ZIP Code Business Patterns, SIC & NAICS, BEA REIS Data.*

Excluding self-employed people, there are currently 157 businesses in Montague. As is shown in Figure 3, the majority of businesses are in Turners Falls.

FIGURE 3: BUSINESSES IN MONTAGUE'S VILLAGES

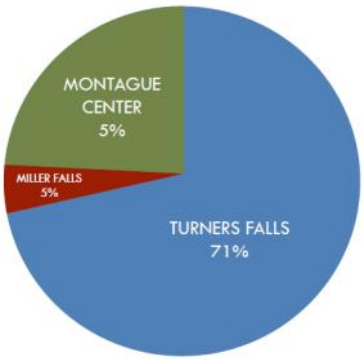



Table 3 looks at changes in the types of businesses in Montague from 2000 to 2009. Significant gains were made in businesses in Management Services, Waste Management and Remediation, Health Care and Education. The Construction, Finance and Insurance, Real Estate, and Hotel and Restaurant sectors also registered positive gains in businesses.

TABLE 3: BUSINESSES IN MONTAGUE BY INDUSTRY *(NUMBER OF BUSINESSES)*

| | 2000 | 2009 | % Change |
|---|---|---|---|
| Forestry & Fishing | 1 | | -100% |
| Construction | 12 | 13 | 8% |
| Manufacturing | 18 | 14 | -22% |
| Wholesale Trade | 5 | 4 | -20% |
| Retail | 29 | 20 | -31% |
| Transport & Warehousing | 7 | 4 | -43% |
| Information | 2 | 1 | -50% |
| Finance & Insurance | 5 | 6 | 20% |
| Real Estate | 6 | 4 | -33% |
| Professional Services | 12 | 8 | -33% |
| Management Services | | 4 | 400% |
| Waste Remediation | 4 | 5 | 25% |
| Educational Services | 3 | 7 | 133% |
| Health Care | 21 | 26 | 24% |
| Arts & Entertainment | 5 | 2 | -60% |
| Hotels & Restaurants | 16 | 17 | 6% |
| Other services | 32 | 22 | -31% |
| Unclassified | 30 | 0 | -100% |
| **TOTAL** | **208** | **157** | **-25%** |

*Includes only private sector employers*

*Source: US Census Bureau, Zip Code Business Patterns (NAICS)*

As is shown in Table 4, Montague has lost some major employers in the past decade, but it has gained new large employers as well. In 2000, there were six businesses with more than 100 employees. The number of large Construction and Hotel/ Restaurant sectors has declined, but these have been offset by gains in large employers in Health Care and Transportation and Warehousing sectors. The number of Manufacturing establishments with more than 100 jobs remained constant at four. In 2011, the firms were Hillside Plastics, Judd Wire, LightLife Foods and Heat Fab.

TABLE 4: BUSINESSES WITH OVER 100 EMPLOYEES IN MONTAGUE *(NUMBER OF BUSINESSES)*

| | 2000 | 2009 |
|---|---|---|
| Construction | 1 | - |
| Manufacturing | 4 | 4 |
| Wholesale Trade | - | - |
| Transport & Warehousing | - | - |
| Health Care | - | 1 |
| Hotels & Restaurants | 1 | - |
| **Total** | **6** | **6** |

*Includes only private sector employers*

*Source: US Census Bureau, Zip Code Business Patterns (NAICS) – Updated by Cambridge Economic Research 2011 Survey of Manufacturing Firms in Montague.*

## Unemployment in Montague

Table 5 compares the unemployment rate in Montague with those of selected towns in Franklin County. Montague has the second largest labor force of the surrounding towns next to Greenfield. Montague's 7.1% unemployment rate is slightly above the Massachusetts state average rate of 6.8%. It is higher than most of the surrounding towns, but it is significantly lower than that of Orange (9%) and Shelburne (9.3%).

TABLE 5: UNEMPLOYMENT IN SELECTED TOWNS IN FRANKLIN COUNTY *OCTOBER 2011*

| Area | Labor Force | Employed | Unemployed | Town Rate | Massachusetts Rate |
|---|---|---|---|---|---|
| Bernardston | 1,223 | 1,146 | 77 | 6.3% | 6.8% |
| Deerfield | 2,726 | 2,565 | 161 | 5.9% | 6.8% |
| Erving | 836 | 778 | 58 | 6.9% | 6.8% |
| Gill | 792 | 751 | 41 | 5.2% | 6.8% |
| Greenfield | 9,022 | 8,407 | 615 | 6.8% | 6.8% |
| **Montague** | **4,187** | **3,890** | **297** | **7.1%** | **6.8%** |
| Orange | 3,626 | 3,287 | 339 | 9.3% | 6.8% |
| Shelburne | 1,093 | 995 | 98 | 9.0% | 6.8% |
| Whately | 945 | 910 | 35 | 3.7% | 6.8% |

*Source: Bureau of Labor Statistics*

## Regional Employment Trends

Table 6 presents data from the Bureau of Economic Analysis Regional Economic Information System for Franklin County, which, unlike the Census Business Patterns data presented in the previous sections, include public sector employment and self-employed people. It shows that employment in Franklin County remained relatively stable during the 8-year period from 2001 to 2009, with the loss of just 116 jobs. This mirrors state average performance. Nearly 2,000 salaried positions were lost during these years in Franklin County. These losses were mostly offset by the growth of 1,864 new jobs from self-employment and business start-ups for a net loss of just 116 jobs. The number of farm proprietors grew by 10%, while non-farm business owners grew by almost 20%.

TABLE 6: EMPLOYMENT CHANGE IN FRANKLIN COUNTY *2001 TO 2009*

| | Jobs 2001 | Jobs 2009 | % change | # of Jobs |
|---|---|---|---|---|
| Total employment | 39341 | 39225 | 0% | -116 |
| **BY TYPE** | | | | |
| Wage and salary employment | 29155 | 27175 | -7% | -1980 |
| Proprietors employment | 10186 | 12050 | 18% | 1864 |
| Farm proprietors employment | 603 | 665 | 10% | 62 |
| Nonfarm proprietors employment | 9583 | 11385 | 19% | 1802 |
| **BY INDUSTRY** | | | | |
| Farm employment | 983 | 1048 | 7% | 65 |
| Nonfarm employment | 38358 | 38177 | 0% | -181 |
| Private employment | 32896 | 32924 | 0% | 28 |
| Forestry, fishing, and related activities | 274 | (D) | NA | NA |
| Mining | 12 | (D) | NA | NA |
| Utilities | (D) | 77 | NA | NA |
| Construction | 2188 | 2340 | 7% | 152 |
| Manufacturing | 6485 | 4273 | -34% | -2212 |
| Wholesale trade | 920 | 802 | -13% | -118 |
| Retail trade | 4085 | 4301 | 5% | 216 |
| Transportation and warehousing | 820 | 1115 | 36% | 295 |
| Information | 1007 | 720 | -29% | -287 |
| Finance and insurance | 867 | 1157 | 33% | 290 |
| Real estate and rental and leasing | 649 | 889 | 37% | 240 |
| Professional, scientific, and technical services | 1738 | 2074 | 19% | 336 |
| Management of companies and enterprises | (D) | 528 | NA | NA |
| Administrative and waste management services | 1236 | 1263 | 2% | 27 |
| Educational services | 2353 | 2336 | -1% | -17 |
| Health care and social assistance | 3923 | 4626 | 18% | 703 |
| Arts, entertainment, and recreation | 1441 | 1728 | 20% | 287 |
| Accommodation and food services | 1933 | 2134 | 10% | 201 |
| Other services, except public administration | 2257 | 2231 | -1% | -26 |
| Government and government enterprises | 5462 | 5253 | -4% | -209 |
| Federal, civilian | 194 | 215 | 11% | 21 |
| Military | 207 | 177 | -14% | -30 |
| State and local | 5061 | 4861 | -4% | -200 |
| State government | (D) | 1025 | NA | NA |
| Local government | (D) | 3836 | NA | NA |

*D - Data withheld for confidentiality.*

*Source: Bureau of Economic Analysis, Regional Economic Information System*

Table 7 compares the performance of sectors experiencing significant employment changes in Franklin County with state average performance of these industries from 2001 to 2009. It shows that the manufacturing sector suffered the heaviest losses. More than 2,200 Manufacturing jobs were eliminated in the county between 2000 and 2009 – a loss of 34% – in line with the state average loss of 32% of manufacturing jobs during this period. The largest job gains in the county were in the Health Care sector, where 700 new jobs were created; this represents a gain of 18%, mirroring the statewide performance of this sector. Significant gains were registered in Arts and Entertainment establishments as well as Hotels and Restaurants. Nearly 500 new jobs were created in these two sectors.

TABLE 7: EMPLOYMENT CHANGE IN SELECTED SECTORS IN FRANKLIN COUNTY COMPARED TO MA STATE AVERAGE % CHANGE IN JOBS - *2001 TO 2009*

| | No. of Jobs Added | Percent Comparison | |
|---|---|---|---|
| | 2001-2009 | Franklin County | MA State Average |
| Self-Employed | 1,864 | 18% | 25% |
| Construction | 152 | 7% | -8% |
| Manufacturing | -2,212 | -34% | -32% |
| Retail | 216 | 5% | -5% |
| Transportation & Distribution | 295 | 36% | -9% |
| Finance & Insurance | 290 | 33% | 11% |
| Real Estate | 240 | 37% | 27% |
| Professional Services | 336 | 19% | 8% |
| Health Care | 703 | 18% | 18% |
| Arts & Entertainment | 287 | 20% | 18% |
| Hotels & Restaurants | 201 | 10% | 21% |

*Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Information Series.*

During a time when state and national construction sectors contracted significantly, Construction jobs in Franklin County actually grew by 7%, adding 152 jobs. This is contrary to the statewide loss of -8% during this period. Similarly, Retail jobs in Franklin County grew by 5%, while statewide, they declined by 5%. Transportation and Warehousing added almost 300 jobs in Franklin County, a gain of 36%, compared with a 9% statewide loss in this sector. Real Estate added 240 jobs in Franklin County, also exceeding state average performance. Despite the financial crisis of 2007-2008, Finance and Insurance grew by 33% – adding almost 300 new jobs – more than triple the 11% statewide growth rate in financial services.
Professional Services grew by almost 20% in Franklin County, registering a gain of 336 new jobs, underscoring an increase in the college-educated population, which is apparent in the demographic data presented at the beginning of this chapter.

Changing employment patterns underscore the shrinkage of employment in traditional manufacturing industries due to the Great Recession that began to set in late 2007. Employment can be expected to recover somewhat as the nascent recovery gains strength, but continuing efficiencies in production technology are likely to mitigate major future gains in manufacturing jobs. More labor-intensive service sectors centered on arts, entertainment, tourism and health care should continue to add jobs and prevent population loss. Montague's economic development strategy should be targeted toward retention of manufacturing plants, while supporting the growth of the service sector by helping facilitate the availability of premises in vacant downtown and mill buildings. The development of a new industrial park to accommodate expansion of existing manufacturing industries is a crucial component of an industrial retention strategy.

## Unemployment in Franklin County

Table 8 compares the unemployment rate in Franklin County with that of other Massachusetts counties. It shows that, from October 2010 to October 2011, Franklin County's unemployment rate dropped from 7% to 6.1%, a decrease of 13%. Franklin County's 6.1% unemployment rate is the 5th lowest of the state's 15 counties. Lower rates exist only on the Islands (5.3% and 6%), in Middlesex County (5.6%) and in Hampshire County (5.4%), which is part of Franklin County's Labor Market area. It is well below the prevailing rates in most of the Boston metro area and the abutting Worcester (7.5%) and Hampden Counties (8.3%).

TABLE 8: UNEMPLOYMENT IN MASSACHUSETTS BY COUNTY *OCTOBER 2010 - OCTOBER 2011*

| | Oct 2010 | Oct 2011 |
|---|---|---|
| Nantucket County | 5.6 % | 5.3 % |
| Hampshire County | 6.2 % | 5.4 % |
| Middlesex County | 6.5 % | 5.6 % |
| Dukes County | 6.4 % | 6.0 % |
| Franklin County | 7.0 % | 6.1 % |
| Norfolk County | 7.0 % | 6.1 % |
| Berkshire County | 7.3 % | 6.4 % |
| Barnstable County | 7.6 % | 6.8 % |
| Suffolk County | 7.8 % | 6.8 % |
| Plymouth County | 8.1 % | 7.1 % |
| Essex County | 8.2 % | 7.3 % |
| Worcester County | 8.6 % | 7.5 % |
| Hampden County | 9.3 % | 8.3 % |
| Bristol County | 10.1 % | 9.1 % |
| **Massachusetts** | **7.8** % | **6.8** % |
| **US Average** | **9.7**% | **9.0**% |

Source: Bureau of Labor Statistics

In order to evaluate the Strengths, Weaknesses, Opportunities, and Threats of the region's economic base, a SWOT
analysis has been conducted using location quotients and shift-share analysis. This model evaluates and identifies strong, weak, promising and threatened industries. The model also calculates the potential for job growth in industries that are under-represented in a region's economic base. The data used are from the Census County Business Patterns and exclude self-employment and public sector jobs.

Table 9 identifies the best-performing industries in Franklin County and compares the performance of these industries in Franklin County with state and national average performance. Data in the table reflect Compound Annual Growth Rates (CAGR's), not absolute changes. The Health Care sector, which is Franklin County's biggest employer, grew by 0.3% a year from 2001 to 2009. This is below the state and national average annual growths of 2% and 2.5%, respectively.

TABLE 9: BEST-PERFORMING INDUSTRIES IN FRANKLIN COUNTY
*(3 DIGIT NAICS) (COMPOUND ANNUAL GROWTH RATE, 2000-2009)*

| NAICS | Industry | No. of Jobs 2009 | Franklin Co. | MA Avg. | US Avg. |
|---|---|---|---|---|---|
| 111 | Crop Production | 583 | 2.1% | 0.1% | -0.7% |
| 115 | Support for Farming | 155 | 7.2% | 18.3% | -0.5% |
| 491-3 | Mail Order & Delivery | 577 | 13.8% | -8.2% | -4.9% |
| 514 | Internet & Support Services | 78 | 17.8% | -8.2% | 7.2% |
| 562 | Waste Mgt. & Remediation | 118 | 16.2% | 1.8% | 1.4% |
| 621-4 | Health Care | 4098 | 0.3% | 1.9% | 2.5% |
| 813 | Non-Profit Organizations | 898 | 4.6% | 2.2% | 1.7% |
| 813 | Private Households | 644 | 1.1% | 2.1% | 3.7% |

Source: U.S. Census Bureau, County Business Patterns

Contrary to the national trend, both crop production and farming support industries grew significantly in Franklin County in line with the Massachusetts average performance. The growth

in the Agricultural sector was driven by demand generated by the local foods movements, growth in popularity of farmer's markets throughout New England, and the increase in the retirement-aged population.

Fuelled by the growth of e-commerce, Mail Order and Delivery jobs were added from 2001 to 2009, registering a CAGR of 14% in Franklin County. Significant rates of increase - 16.2% - were also registered in Waste Management and Remediation; there were 118 jobs in that industry in 2009. Reflecting the region's entrepreneurial arts and its tradition of grassroots community development, jobs in non-profit organizations in Franklin County grew by 4.6% a year from 2001 to 2009. This is more than twice the state and national rates in this promising sector, which is expected to continue to gain jobs. Despite the aging population, jobs in private households in Franklin County grew at only half the state average and a third of the national average.

Table 10 presents the findings of the shift-share model regarding the strengths, weaknesses, opportunities and threats confronting the economic base of Franklin County. The strongest industry, which is growing faster than the national average, is Waste Management and Remediation, which has been given a boost by the growth of recycling and green technologies for the clean up of contaminated Brownfield redevelopment sites. The Waste Management and Remediation sector is comprised of companies that collect, clean, recycle and dispose of waste materials. There are three subsectors within this industry: waste collection, waste treatment and disposal, and remediation and other waste management. There were 170 jobs in non-profit religious, civic and professional organizations created between 2000-2009, placing it among Franklin County's top three industries. Internet and Data Processing, which have grown at a rate twice that of the state average, is the third top industry.

TABLE 10: SHIFT-SHARE MODEL RESULTS FOR FRANKLIN COUNTY

| | |
|---|---|
| **Strongest industries - Growing faster than the national average** | |
| » Waste Management & Remediation | |
| » Non-profit Organizations | |
| » Internet & Data Processing Services | |
| **Opportunities - Growing slower than nationally** | |
| » Health Care & Social Services | » Professional Services |
| » Finance & Credit | » Administrative & Support Services |
| » Insurance | » Educational Services |
| » Real Estate | » Amusement & Recreation |
| » Leasing of Intangibles | » Hotels, Restaurants, Bars |
| **Threatened Industries - Growing locally, Declining nationally** | |
| » Crop Production | » Electrical Equipment |
| » Support for Agriculture | » Transportation Equipment |
| » Construction | » Chemical Mfg. |
| » Printing | |
| **Weakest Industries - Declining faster than nationally** | |
| » Forestry & Logging | » Fabricated Metals |
| » Utilities | » Machinery Mfg. |
| » Food Products | » Miscellaneous Mfg. |
| » Computer & Electronics | » Wholesale Trade |

*Sources: County Business Patterns*

Industries that offer opportunities for future job growth are those that are growing more slowly than the national average. These are service industries and include Health Care, Financial Services, Professional Services, Education, Amusement and Recreation, and Hotels and Restaurants (See Figure 4). Industries that are growing locally but declining nationally are

considered to be threatened. These include Crop Production and Support Services, Construction, Printing, Chemicals, and Electrical and Transportation Manufacturing. The weakest industries are those that are declining in Franklin County faster than the national average. These include Forestry, Food Processing, Utilities, Computer and Electronics, certain Manufacturing, and Wholesale Trade.

Figure 4 displays jobs growth potential in the most promising sectors for Franklin County that was calculated by the model. In evaluating potential for new jobs, the model considers only industry performance relative to the national average. It does not consider variations in demographics, labor skills, natural resources and transportation links. If an industry in the region underperforms the national average growth rate, the model calculates new jobs that would occur if growth were closer to the national average.

FIGURE 4: SECTORS WITH THE GREATEST JOB GROWTH POTENTIAL IN FRANKLIN COUNTY (POTENTIAL ADDITIONAL JOBS)

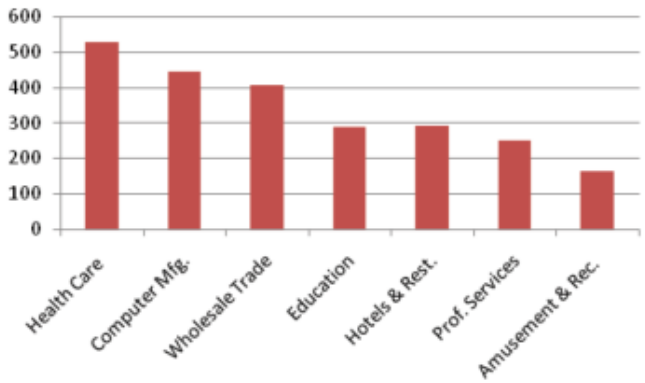



Figure 4 shows that Health Care is forecast to have the most potential for future growth, with opportunities for 526 new jobs over the next 10 years. Computer Manufacturing could add nearly 450 jobs, and more than 400 jobs could be created in Wholesale Trades. Other industries offering opportunities for future growth in Franklin County are Education, Hotels and Restaurant, Professional Services, and Amusement and Recreation. In these industries, there is the potential for 160 to 300 new jobs.

# APPENDIX C

# INDUSTRIAL REAL ESTATE MARKET ANALYSIS

## INTRODUCTION

This section focuses on the supply and demand for industrial park sites in the local Montague market area and broader Franklin County region. Data on firms in the Montague Airport Industrial Park and in Franklin County's other industrial parks are presented for comparisons and trends. Cluster analysis is performed to identify trends in clusters concentrated in the local area and region and to assess targets for future growth. Trends in annual absorption of industrial space are reviewed, and the likely time frame for absorption of the current supply of remaining industrial sites in the region is projected. The regional competitiveness of Montague is assessed vis-à-vis competing locations in the region for industrial attraction. Finally, recommendations are advanced regarding the most suitable target industries and the sizes and mixes of parcels in a new industrial park.

## LOCAL MARKET CONDITIONS IN MONTAGUE

In this first section of this chapter, trends in the supply and demand for industrial properties in the town of Montague are assessed. The second section evaluates Franklin County's regional market for the industrial sector.

### Firms in the Airport Industrial Park

Table 11 lists the firms in Airport Industrial Park (AIP) and provides details regarding their employment and site and building sizes. There are 15 firms in AIP with a total of 512 employees. They occupy 623,565 sq. ft. built on 97 acres of land. The largest employers – Heat Fab with 120 staff and LightLife with 110 workers – expanded into AIP from Greenfield. New England Naturals, a Greenfield bakery, expanded into a rental flex space of 10,000 sq. ft. in AIP because no suitable buildings were available in Greenfield. NutriSystems Meals on Wheels is expanding to the AIP from Leyden. A 4,000-square-foot building to house this operation is currently under construction in the cul-de-sac just south of Turbo Systems. Field Services/Atlantic Golf & Turf expanded to AIP from their facility in Sunderland and is now looking to expand again. This operation and New England Naturals are the only tenants in the AIP; all of the other firms own their units. At this time, only one vacant building is available for sale – the 30,420-square-foot former Hallmark Imaging building at the corner of Industrial Boulevard and Millers Falls Road.

Hassay-Savage, which makes industrial clasps, is planning an expansion and may expand in-situ but is also considering moving to a larger site elsewhere in the region. Mayhew Tools/ Deerfield Packaging recently completed an expansion at their cul-de sac site within the park and has relocated workers from their former Shelburne facility to AIP, where their workforce now totals 80. Importantly, five of the 15 firms interviewed indicated that they do not have room on their sites to expand in-situ, if needed.

TABLE 11: FIRMS IN MONTAGUE AIRPORT INDUSTRIAL PARK

| Company | Product | Site (ac) | Bldg. (sf) | Employees |
|---|---|---|---|---|
| Heat Fab | HVAC mfg | 24.7 | 141,890 | 120 |
| Australis | Barramundi Fish farm | 4.5 | 66,600 | 55 |
| Light Life | Imitation meat soy products | 5.6 | 75,000 | 110 |
| Hassay Savage | Tool mfg. | 2.3 | 8,500 | 18 |
| Mayhew Tool & Deerfield Pkg. | Tool mfg. and distribution | 6.5 | 68,650 | 80 |
| Turbo Steam | Recycled Energy steam turbines | 4 | 20,000 | 20 |
| New England Naturals | Bakery Warehouse | 5.3 | 10,000 | 2 |
| Field Services/Atlantic Golf & Turf | Ag. Services & Fertilizer Distrib. | 1 | 5,000 | 16 |
| Pioneer Aviation | Aircraft service & R.E. Leasing | 5.3 | 6,800 | 1 |
| New England Extrusion (NEX) | Plastic film for packaging | 7.3 | 125,000 | 65 |
| Yankee Environmental Systems | R&D - Meteorological Sensing Equip. | 7.1 | 4,430 | 6 |
| NutriSystems Meals on Wheels Store | Equipment for transporting meals | 3.4 | 4,000 | 8 |
| JaDuke | Pre-School/Performance Art Venue | 3.2 | 8,500 | 10 |
| Pioneer Comcast | Cable TV | 3 | NA | NA |
| Hallmark Institute School | Photography School | 6.3 | 37,089 | NA |
| Hallmark Institute Admin | Photography School | 3.8 | 11,686 | NA |
| Former Hallmark Imaging | Vacant - For lease | 4.1 | 30,420 | NA |
| **Totals** | | **97.4** | **623,565** | **511** |

*Sources: Cambridge Economic Research, Survey of Firms in AIP, 2011; FRCOG, Inventory of Industrial parks in Franklin County, 2010-2011 Update*

## Total Industry in Montague

In addition to the 15 firms within the AIP, there are another three major industrial employers on sites outside of the AIP. These include Hillside Containers with 130 jobs, which expanded into Montague from Sunderland, and Judd Wire, an indigenous company that employs 250 abutting the proposed Turnpike Road Energy Park site. Over the past two decades, Montague Machinery has contracted from 100 to 25 staff. This is the only manufacturing firm interviewed that had lost staff. As shown in Table 12, the three major manufacturing employers provide a combined total of nearly 500 jobs on sites outside of the AIP. As Table 1 shows, firms within Airport Industrial Park provide 511 jobs for a total of more than 1,000 manufacturing jobs in Montague. This is nearly 50% of the town's total workforce (excluding self-employed persons). This far exceeds the 8% to 9% state and national average for manufacturing labor force. It significantly exceeds the average for Franklin County, which stands at 11% manufacturing employment.

The large proportion of Montague's workforce engaged in manufacturing indicates potential vulnerability to further job losses in this vital sector, in which capital may continue to be substituted for labor. It points to the importance of an economic development strategy aimed at retention of existing industries. Assuring a future supply of industrial park sites is a vital component of an industrial retention strategy.

TABLE 12: MANUFACTURING FIRMS WITHIN AND OUTSIDE OF AIRPORT INDUSTRIAL PARK

| | No. of Firms | Acres | Floor space (sq. ft.) | Jobs | Sq. Ft. per Job |
|---|---|---|---|---|---|
| Industry Inside of AIP * | 15 | 97.4 | 544,370 | 511 | 1,065 |
| Industry Outside of AIP | 3 | 39.4 | 519,171 | 490 | 1,060 |
| Total | 18 | 97.4 | 1,063,541 | 1,001 | 1,062 |
| Housing Units | 3,616 | 3934 | - | 9% | |
| Median Housing Value | $ 113,400 | $ 204,700 | $185,400 | 81% | |

* Floor Space Excludes Hallmark Institute

*Source: Cambridge Economic Research, Survey of Industrial Land Uses in Montague, 2011*

Employment per square foot for Montague manufacturing firms averages 1,062 square feet per job, which is typical for industrial uses. By contrast, employment densities for office and retail average 2 to 3 jobs per 1,000 square feet of floor space.

## Clusters in Airport Industrial Park

Table 13 shows that the main concentrations of industry in the AIP are Fabricated Metals and Food Processing. All of the largest firms in the Park are in one of these two sectors. Together, Metals and Food Processing provide nearly 400 jobs - more than three-quarters of the total jobs in the AIP.

TABLE 13: CLUSTERS CONCENTRATED IN AIRPORT INDUSTRIAL PARK

| Cluster | Company | Product | Site Size | Jobs |
|---|---|---|---|---|
| Metals | Heat Fab | HVAC mfg | 24.7 | 120 |
| Metals | Mayhew Tool / Deerfield Pkg. | Tool mfg. and distribution | 7.5 | 80 |
| Metals | Hassay Savage | Tool mfg. | 2.3 | 18 |
| *Subtotal Metals* | | *9.8* | *98* | *9%* |
| Food | Austraillus | Barramundi Fish Farm | 4.4 | 55 |
| Food | LightLife | Soy Entrees | 5.6 | 120 |
| Food | New England Naturals | Bakery Warehouse | 2.1 | 2 |
| *Subtotal Food Processing* | | | *12.1* | *177* |

*Sources: Franklin County COG, An Inventory & Analysis of Industrial properties in Franklin County 2010-2011, Validated and confirmed by field surveys and interviews.*

Metals fabrication clusters stem from the Pioneer Valley's tradition of blacksmiths, farriers and tool makers. Most local metals firms have been established for 50 to 100 years or more. The large food processing establishments – Australlis and LightLife – are not integrated into the region's agricultural or natural resources base. Opportunities to get more jobs from the region's agricultural products such as vegetables and forages should be explored.

## Remaining Supply of Industrial Sites in the Airport Industrial Park

Table 14 lists the three parcels remaining to be developed in the AIP. There are two small parcels of just over 2 acres, which is too small to offer expansion space for most operations. The major opportunity is the 14.6-acre parcel on the north side of the Industrial Boulevard cul-de-sac, just south of the Connecticut River. Some of this area is too shallow to develop, and it is estimated that there are 9.6 usable acres on the site. This site could be subdivided and could be ideal for office space development, given the spectacular river views that they afford.

### Remaining Supply of Industrial Sites in the Airport Industrial Park

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TABLE 14: YEARS SUPPLY OF INDUSTRIAL SITES IN AIRPORT INDUSTRIAL PARK

| Parcel | Total Acres | Usable Acres | Location |
|---|---|---|---|
| 13A | 14.6 | 9.6 | North Side of cul-de-sac on River |
| 13C | 2.3 | 2.3 | Between Heat Fab & LightLife |
| 55 | 2.1 | 2.1 | Between JaDuke & Heat Fab |
| ***Totals*** | ***19*** | ***14*** | ***Acres now available*** |
| | | 3.1 | Annual Absorption (acres per year) |
| | | **4.5** | **Years Supply Remaining** |

*Sources: CER Survey of Firms in AIP, Mark Abramson, Maseillo Group. FRCOG, Inventory of Industrial parks in Franklin Co., 2010-2011 Update*

A total of only 14 developable acres are left in the AIP. At the 31-year-average absorption rate of 3.1 acres a year, this is 4.5 years supply. This indicates the need for planning and budgeting now for future industrial development in order to assure a constant supply of industrial sites to capture expanding firms in the region.

## Typical Parcel Sizes

Seventy percent of the parcels that have been absorbed in the AIP over the past 30 years have ranged in size from 3 to 6 acres, with the median size being 4.5 acres. The median parcel size in the AIP is 4.5 acres. There is only one large site in the park, which is occupied by the 142,000-square-foot Heat Fab plant. Most of the parcels in the new Energy Park should be in the 3- to 6-acre size range, with a limited number over 6 acres and under 3 acres.

## Fiscal Impact of Industrial Properties

Table 15 shows that properties classified by the Town Assessors as Industrial Properties, both within and outside of the AIP, contribute significantly to Montague's tax base. Industrial properties pay 15% of total real and personal property taxes in Montague, while they occupy .007% of the total land area. Clearly, taxes from industrial properties are a vital source of revenue for the Town, which must be retained for future fiscal strength.

TABLE 15: TAXES PAID BY INDUSTRIAL PROPERTIES IN MONTAGUE

| Company | Real Estate Value | Personal Property Value | Taxes Paid |
|---|---|---|---|
| Within industrial Park | 24,167,700 | 3,678,390 | 665,522 |
| Outside of Industrial Park | 14,709,100 | 0 | 351,547 |
| | | | |
| ***Valuation of Industrial Land*** | ***38,876,800*** | ***3,678,390*** | ***1,017,069*** |
| | | | |
| Taxes from Industrial Properties | 929,156 | 87,914 | 1,017,069 |
| Total Property Tax Receipts | 6,216,343 | 551,243 | 6,767,586 |
| Industrial as Percent of Total Taxes | 15% | 16% | 15% |
| Percent of Total Industrial Land | 0.007% | - | - |

*Source: Montague Assessor's Office*

## Regional Competitiveness

Table 19 assesses Montague's competitiveness as an industrial location in view of access, tax rates, infrastructure, land prices and the remaining supply of buildable sites. Since the supply of industrial sites in Orange, Deerfield and Whately Industrial Parks have been depleted, Montague's main competitors are the I-91 and the Randall Pond Industrial Parks. In terms of access, Montague is farther from major highways than the other sites. The Town's property tax rate is significantly higher than the other five communities, and it is more than 25% higher than Greenfield, which has the second-highest tax rate. On the positive side, Montague and the two industrial parks in Orange have natural gas utilities. The other three parks do not. Heating with piped gas offers significant cost savings over propane, which must be used at the other Franklin County Industrial Parks.

TABLE 19: FRANKLIN COUNTY INDUSTRIAL PARKS REGIONAL COMPETITIVENESS

*Distance from Highways, Property Tax Rates & Availability of City Gas*

| Industrial Park | Distance from I-91 (mi) | Distance from Rte 2 (mi) | Tax Rate (per $1000) | City Gas (per acre) | Industrial Land Price | | Remaining Supply (ac) |
|---|---|---|---|---|---|---|---|
| AIP, Montague | 7.1 | 3 | $23.05 | Yes | $ 20,000 | $ 25,000 | 14 |
| Orange | 18 | 0.5 | $16.58 | Yes | $ 22,500 | $ 27,500 | 0 |
| Randall Pond, Orange | 18 | 0.8 | $16.58 | Yes | $ 22,500 | $ 27,500 | 18 |
| I-91 Greenfield | 2.6 | 0.7 | $18.14 | No | $ 22,500 | $ 30,000 | 20 |
| Deerfield | 0.8 | NA | $12.32 | No | $ 50,000 | $ 60,000 | 0 |
| Whatley | 0.8 | NA | $15.47 | No | $ 60,000 | $ 70,000 | 0 |

*Sources: Franklin County COG, An Inventory & Analysis of Industrial properties in Franklin County 2010-2011; Mark Abramson, Broker, Masiello Group; Kim Levitch, Appraiser.*

Industrial land prices in the AIP are the lowest in the region. Prices in the Orange and the Greenfield Industrial Parks are 10% to 15% higher than those in Montague. Prices in the Deerfield and the Whately parks, which are less than one mile from I-91, are more than double those in Montague, but these parks are now fully built out, and sites for new development are no longer available.